

Message Text

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ORIGIN ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

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R 192349Z SEP 75
FM SECSTATE WASHDC
TO AMEMBASSY BOGOTA
AMEMBASSY BRASILIA
AMEMBASSY CARACAS
AMEMBASSY QUITO
USCINCSO
INFO AMEMBASSY BUENOS AIRES
AMEMBASSY SANTIAGO
AMEMBASSY LIMA

C O N F I D E N T I A L STATE 224526

E.O. 11652: GDS

TAGS: MASS

SUBJECT: HUGHES AIRCRAFT PLANS FOR PROMOTING SALES TOW
MISSILES IN LATIN AMERICA

REF: (A) BOGOTA 8272, (B) COMUSMILGP BOGOTA 282045Z AUG 75,
(C) LIMA 6985, (D) STATE 210905 DTG 050013Z SEP 75

JOINT STATE/DEFENSE MESSAGE

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1. HUGHES AIRCRAFT INTERNATIONAL HAS REQUESTED USG GUIDANCE

IN ARRANGING FOR UNCLASSIFIED REPEAT UNCLASSIFIED PROMOTION-AL BRIEFINGS IN NEAR FUTURE FOR APPROPRIATE HOST COUNTRY OFFICIALS IN BRAZIL, COLOMBIA, ECUADOR, PERU, AND VENEZUELA ON GROUND AND HELICOPTER BORNE TOW MISSILE SYSTEMS. REFERENCES A, B, AND C POINT OUT THAT HUGHES HAS ALREADY WRITTEN TO SOME MILGP COMMANDERS MISLEADINGLY SUGGESTING THAT "STATE AND DEFENSE" HAVE "APPROVED THE SALE" OF TOWS IN LA AND ASKING FOR ASSISTANCE IN ARRANGING BRIEFING. HUGHES HAS NOW DELAYED, AT OUR REQUEST, PREVIOUSLY SCHEDULED INFORMATIONAL BRIEFING FOR SOUTHCOM AND TRIPS LA COUNTRIES.

2. AN APPROVED NATIONAL SECURITY COUNCIL LA INTER-DEPARTMENTAL GROUP PAPER OF FEBRUARY 5, 1975, STATES, AMONG OTHER THINGS: "USG SHOULD, SUBJECT TO EXISTING LEGISLATIVE AND POLICY CONSTRAINTS, BE RESPONSIVE TO REASONABLE REQUESTS FOR MISSILE SALES FROM LATIN AMERICAN COUNTRIES." HOWEVER IG PAPER ALSO STATED: "MULTIPLICITY OF THESE LEGISLATIVE AND POLICY CONSTRAINTS MANDATES THAT EACH REQUEST FOR MISSILE SALES BE CONSIDERED ON A CASE BY CASE BASIS." THE PAPER ALSO SAID: "AS A GENERAL PROPOSITION, THE UNITED STATES, IN AN EFFORT TO AVOID ARMS ESCALATION, WILL NOT ACTIVELY PROMOTE THE SALE OF NEW MISSILE SYSTEMS IN LATIN AMERICA." AS REGARDS THE TOW MISSILE SPECIFICALLY, THE POLICY PAPER STATES IN SECTION IB OF THE CONCLUSIONS: "SHORT RANGE TACTICAL MISSILES: THERE SHOULD BE NO CONSTRAINTS ON UNITED STATES SALES TO LATIN AMERICA OF SHORT RANGE TACTICAL WEAPONS SUCH AS THE TOW..."

3. THE NATIONAL DISCLOSURE POLICY (NDP-1) STATES "IT IS THE POLICY OF THE UNITED STATES TO AVOID FALSE IMPRESSIONS OF ITS READINESS TO MAKE AVAILABLE CLASSIFIED MILITARY MATERIEL, TECHNOLOGY, OR INFORMATION. THEREFORE, INITIAL PLANNING WITH FOREIGN GOVERNMENTS AND INTERNATIONAL ORGANIZATIONS CONCERNING PROGRAMS WHICH MIGHT INVOLVE THE EVENTUAL DISCLOSURE OF CLASSIFIED MILITARY INFORMATION MAY BE CONDUCTED ONLY IF IT IS EXPLICITLY UNDERSTOOD AND ACKNOWLEDGED THAT NO U.S. COMMITMENT TO FURNISH SUCH CLASSIFIED INFORMATION OR MATERIEL IS INTENDED OR IMPLIED UNTIL DISCLOSURE HAS BEEN APPROVED."

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4. THE INTERNATIONAL TRAFFIC IN ARMS REGULATION (ITAR) PROHIBITS THE EXPORT TO OR DISCUSSION WITH FOREIGN NATIONALS OR ANY CLASSIFIED OR UNCLASSIFIED TECHNICAL DATA UNTIL AN EXPORT LICENSE HAS BEEN OBTAINED FROM THE DEPARTMENT OF STATE.

5. STATE, DEFENSE AND NSC STAFF OFFICIALS HAVE VIEWED BRIEFINGS WHICH HUGHES HAD INTENDED TO GIVE AND HAVE CON-

FIRMED HUGHES ASSURANCES THAT NO CLASSIFIED MATERIAL INVOLVED. WE HAVE, HOWEVER, ASKED HUGHES, AND THEY HAVE AGREED, TO DELAY THEIR PROPOSED VISITS UNTIL WE HAVE INFORMED CINCSO AND COUNTRY TEAMS OF POTENTIAL PROBLEMS AND CONSTRAINTS INVOLVED AND RECEIVED THEIR OPINIONS CONCERNING SUITABILITY AND TIMING OF PROPOSED PROMOTIONAL VISITS.

6. IN DEVELOPING THEIR VIEWS, WE SUGGEST ADDRESSEES TAKE INTO CONSIDERATIONS THE FOLLOWING:

(A) IN 1973 HUGHES APPLIED FOR AND RECEIVED PERMISSION TO PROVIDE CERTAIN CONFIDENTIAL TECHNICAL INFORMATION ON TOW TO COLOMBIA, BRAZIL, AND CHILE. HOWEVER, ACTION WAS POSTPONED ON HUGHES APPLICATIONS FOR PERMISSION TO PROVIDE SAME CONFIDENTIAL INFORMATION TO ARGENTINA, VENEZUELA, ECUADOR, AND PERU FOR LACK OF SPONSORS FOR NDP EXCEPTIONS TO SECURITY DISCLOSURES REGULATIONS. HOWEVER, IN 1972 WITH CONCURRENCE AMEMBASSY BOGOTA, NDP EXCEPTION GRANTED COLOMBIA. SALE TO BRAZIL DOES NOT REQUIRE EXCEPTION.

(B) ALSO IN 1973, HUGHES SAYS IT PROVIDED ON ITS OWN INITIATIVE TO CHILE, PERU, AND BRAZIL SAME UNCLASSIFIED REPEAT UNCLASSIFIED BRIEFING AS IS NOW PROPOSED. FURTHER ACTION ON PENDING APPLICATIONS BY HUGHES TO PROVIDE CONFIDENTIAL INFORMATION WILL DEPEND PARTLY ON REPLIES TO THIS MESSAGE.

(C) CHILE WAS AUTHORIZED THE ACQUISITION OF TWENTY TOW LAUNCHERS AND 400 TOW MISSILES IN NOVEMBER 1974, BUT FMS SALES TO CHILE HAVE SUSPENDED SINCE DECEMBER 1974. NO DELIVERIES HAVE TAKEN PLACE.

(D) ALL CONCERNED AGENCIES IN WASHINGTON HAVE AGREED THAT CONFIDENTIAL

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SALES PROMOTION AND SALES FOR PERU ARE INAPPROPRIATE AT THIS TIME BECAUSE OF SOVIET PRESENCE AND IN ORDER TO AVOID WORSENING MILITARY IMBALANCE WITH RESPECT TO PERU AND CHILE. HUGHES HAS BEEN INFORMED AND HAS AGREED NOT TO PURSUE ITS PROMOTION CAMPAIGN IN PERU. HUGHES HAS ALREADY NOTIFIED CHMAAG PERU THAT IT HAS WITHDRAWN ITS REQUEST FOR ASSISTANCE IN ARRANGING BRIEFING.

(E) THERE IS NO INFORMATION IN WASHINGTON THAT ANY COUNTRIES OTHER THAN BRAZIL, CHILE, PERU, AND COLOMBIA HAVE EXPRESSED ANY PARTICULAR INTEREST OF THEIR OWN ACCORD IN PURCHASING TOW MISSILES.

(F) BOTH MISSILE AND LAUNCHER HAVE CLASSIFIED COMPONENTS AND MISSILE HAS ESSENTIAL ELEMENTS WHICH MUST BE PROVIDED

BY USG ARSENALS. THEREFORE, IF COUNTRIES SHOW ANY INTEREST, THEY MUST NECESSARILY USE FMS CHANNELS TO REQUEST P AND A DATA ON SALES CONTRACTS AND HUGHES WOULD SO ADVISE HOST COUNTRY OFFICIALS IN THEIR BRIEFINGS. FMS CREDIT SALES WOULD INVOLVE FMS SALES ACT (CONTE-LONG AMENDMENT) CONSIDERATIONS UNDER WHICH USE OF CREDIT FOR PURCHASES OF "SOPHISTICATED WEAPONS, MISSILES..." WOULD REQUIRE EITHER A FINDING THAT THE SYSTEM IS NOT A SOPHISTICATED WEAPON AS ENVISAGED BY THE AMENDMENT OR A PRESIDENTIAL DETERMINATION THAT IT IS IN U.S. NATIONAL INTEREST TO MAKE THE WEAPON AVAILABLE ON FMS CREDIT TERMS. FOR THIS AND REASONS NOTED PARA 3 AND 4 ABOVE HUGHES HAS AGREED SPECIFICALLY TO EXCLUDE FROM PROMOTIONAL BRIEFING ANY COMMITMENT TO SELL, OR SUGGESTION THAT SALE MAY BE POSSIBLE UNDER FMS CREDIT PROCEDURES. SIMILARLY, OUR VERY STRONG PREFERENCE IS THAT HOST GOVERNMENTS NOT REPEAT NOT CONSIDER FMS CREDIT AS FUNDING SOURCE FOR PURCHASE OF TOW.

(G) LEAD TIME FOR DELIVERY OF ANY TOW SYSTEM ORDERS APPROVED WITH PROGRESS PAYMENTS WOULD BE AS MUCH AS THREE YEARS. IT IS PROBABLE THAT PRIORITY DEMANDS EXPECTED IN NEAR FUTURE WILL STRETCH LEAD TIME EVEN FURTHER.

(H) YOU SHOULD ALSO NOTE EFFORTS UNDER WAY BY VARIOUS EUROPEAN COUNTRIES TO MARKET COMPETITIVE ANTI-TANK WEAPONS IN LATIN AMERICA.
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(I) FINALLY, CONCERN WAS EXPRESSED HERE ABOUT APPARENT CLOSE LINKAGE BETWEEN TOW SYSTEM AND BELL COBRA GUNSHIP USED TO DEMONSTRATE TOW IN HUGHES FILMS. THE COBRA IS NOT AN APPROVED WEAPONS SYSTEM FOR LATIN AMERICA. IF THEY ENQUIRE, HOST GOVERNMENTS SHOULD BE CAUTIONED THAT APPEARANCE OF THE COBRA GUNSHIP IN FILM DOES NOT IMPLY EITHER AVAILABILITY OF THE SYSTEM OR A REQUIREMENT FOR THE COBRA AS A NECESSARY ADJUNCT TO THE TOW SYSTEM ITSELF.

7. ACTION REQUESTED. REQUEST COORDINATED COMMENTS, FROM EACH ADDRESSEE (COUNTRY TEAM WERE APPLICABLE) ON ADVISABILITY OF PROCEEDING WITH HUGHES PLANS IN LIGHT OF CAVEATS DESCRIBED PARA 6 ABOVE. KISSINGER

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